

lack both the freedom peacefully to express opposition to the party-led political system and the right to change their national leaders or form of government.

The report goes on to note that in 1999:

The government's poor human rights record deteriorated markedly throughout the year, as the government intensified efforts to suppress dissent, particularly organized dissent.

That is our own State Department saying that. It doesn't sound like a nation that we want to encourage with expanded trade privileges.

Many of my friends in this body argue that China is making progress on human rights, and that expanded trade and western influence will help turn the tide. They tell me that in China things have improved dramatically in recent years.

I say, tell that to the tens of thousands of members of the Fulan Gong who have been hunted down and punished by Beijing over the past 2 years.

Tell that to the prisoners in China's Gulags who continue to suffer under conditions that, in our own State Department's words, are "harsh" and "degrading".

Tell that to the political dissents who are jailed out without charge only because they threaten the communist party's political dominance.

Tell that to the children who were murdered because of China's brutal one child per family policy.

Tell that to the people of Tibet.

Mr. President, all those who say that things are getting better in China and that PNTR will help improve conditions in China are wrong.

It's been 11 years since the Tiananmen Square Massacre, and the Chinese Government still carries out the same brutal, repressive tactics.

Things aren't getting any better in China. They're only getting worse.

The supporters of PNTR made the same argument year after year during the annual debates on most-favored-nation status for China. And year and year, Beijing showed no sign of changing its ways. None.

In one way, this is a hard vote for me, Mr. President. Many of my friends support expanded trade privileges for China, and they make an enthusiastic argument for expanding access to Chinese markets in order to help American business compete with their overseas competitors.

My gut reaction is to vote for free and expanded trade. In my mind, there isn't any doubt that the world is really drawing closer and closer together, and that it will be through trade that the United States can take advantage of its economic and technological advantages to maintain our dominant position in the world.

But in other, more important, ways this vote is easy is for me—because the issues are so clear when it comes to

China, and because China's behavior has made it so undeserving of improved trade ties with the United States.

Mr. President, I've tried to simplify this issue in my mind and I've boiled it down to a single question that I've asked of everyone I have talked to about China trade:

Why should we give the best trade privileges possible under our law to a communist nation that so clearly threatens us and our values?

We didn't grant most-favored-nation status to Russia during the cold war. But now we are on the verge of passing the most privileged trade status we can give to the communist nation that is bent not only on supplanting America as the dominant economic power in the world, but is also actively supporting dangerous, rogue nations that threaten our citizens and our way of life.

It just doesn't make sense.

In conclusion, I urge a "no" vote on the China PNTR bill, and a "yes" vote on the Thompson bill. The Chinese have not earned the right to trade with us, and they have show no inclination to change their ways.

Senator THOMPSON's proposal is at least a modest attempt to preserve our options and to keep closer tabs on Communist China in case things take a turn for the worse.

For years, the pro-China trade forces have argued that expanding trade with China is the carrot we can use to bring about democratic change in that country. The evidence has proven them wrong time and time again.

Years of continuing MFN, or NTR, or whatever you want to call it haven't changed things in China. When it comes to China, the old saying still holds true: the more things change, the more they stay the same.

Trade has not worked before as a carrot, and it certainly won't work in the future if we remove the stick of annual reviews and possible sanctions. That's why it's so crucial that we pass the China Non-Proliferation Act.

Mr. President, when President Reagan negotiated arms control with the Russians, he used an old Russian phrase to sum up his approach—trust but verify. That strategy worked.

But by granting PNTR we are trusting, but failing to verify. In fact, we are even giving up what little ability we even have to verify. The Chinese certainly haven't given us any reason to take them at their word.

We need to verify and the Thompson bill is our best hope of insuring that China will live up to its word. Otherwise, why should we blindly trust a country that has proven time and time again that it doesn't live or play by the rules.

I yield the floor.

EXTENSION OF VITIATION ORDER

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I ask unanimous consent that the vitiation order with respect to S. 1608 be extended until 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACTION, 2001

Mr. ROTH. Mr. President, with respect to the energy and water appropriations bill, I ask unanimous consent that two previously submitted amendments, Nos. 4053 and 4054, be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 4053 and 4054) were agreed to, as follows:

AMENDMENT NO. 4053

(Purpose: To revise planning requirements to make them consistent with sections 3264 and 3291 of the National Nuclear Security Administration Act)

On page 83, strike line 20 and all that follows down to the end of page 84, line 23 and insert the following:

"SEC. 309. (a) None of the funds for the National Nuclear Security Administration in this Act or any future Energy and Water Development Appropriations Act may be expended after December 31 of each year under a covered contract unless the funds are expended in accordance with a Laboratory Funding Plan for Nuclear Security that has been approved by the Administrator of the National Nuclear Security Administration as part of the overall Laboratory Funding Plan required by section 310(a) of Public Law 106-60. At the beginning of each fiscal year, the Administrator shall issue directions to laboratories under a covered contract for the programs, projects, and activities of the National Nuclear Security Administration to be conducted at such laboratories in that fiscal year. The Administrator and the laboratories under a covered contract shall devise a Laboratory Funding Plan for Nuclear Security that identifies the resources needed to carry out these programs, projects, and activities. Funds shall be released to the Laboratories only after the Secretary has approved the overall Laboratory Funding Plan containing the Laboratory Funding Plan for Nuclear Security. The Secretary shall consult with the Administrator on the overall Laboratory Funding Plans for Los Alamos National Laboratory, Lawrence Livermore National Laboratory, and Sandia National Laboratories prior to approving them. The Administrator may provide exceptions to requirements pertaining to a Laboratory Funding Plan for Nuclear Security as the Administrator considers appropriate.

"(b) For purposes of this section, 'covered contract' means a contract for the management and operation of the following laboratories: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering and Environmental Laboratory, Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

AMENDMENT NO. 4054

At the appropriate place in the bill, insert the following new section:

"SEC. . . Within available funds under Title I, the Secretary of the Army, acting through the Chief of Engineers, shall provide up to \$7,000,000 to replace and upgrade the dam in Kake, Alaska which collapsed July, 2000 to provide drinking water and hydroelectricity."

TO AUTHORIZE EXTENSION OF
NONDISCRIMINATORY TREAT-
MENT OF THE PEOPLE'S REPUB-
LIC OF CHINA—Continued

Mr. ROTH. Mr. President, I want to take a few minutes to discuss why permanent normal trade relations with China are of such critical importance to the United States.

One of the most remarkable strengths of the economy has been its ability to deliver a rising standard of living and the creation of high-paying jobs. Trade plays a very critical role in achieving both goals. In that respect, normalizing our trade relations with China represents a positive step forward for American business, American farmers, American workers, and American consumers.

Just let me speak very briefly about security because we will discuss that in greater detail at a later time. Moving ahead with trading relations with China will help promote the rule of law and the acceptance of the way we do business in the international market. This will help strengthen the hands of those who are most interested in promoting the rule of law. Security-wise, if we reject PNTR, there is no question but what we play into the hands of the militants, the Communists, who want no change, the Communists who oppose promoting a market economy.

So I just want to say, as we discuss the economics of this agreement, that it is also critically important from the standpoint of strengthening those who want to bring China into the international community. What international trade does is let us focus on what we do best.

Our exports are an indicator of where we have a strong comparative advantage because we are more efficient in producing those goods than we are at producing others. Those industries where we are most efficient represent our economic future. Over the past 20 years, trade as a percentage of the U.S. gross domestic product has increased by more than 50 percent. Exports of goods and services this past year was close to \$1 trillion. It is no surprise that the export sectors of our economy have grown faster than the economy as a whole. Nor is it any surprise that export-based jobs pay on average of 15 percent more than the prevailing wage. According to recent reports by Standard & Poor's economic consulting arm, DRI, the benefits are 32.5 percent higher overall than with jobs in nonexport industries.

Those figures reflect the fact that an increase in our exports translate into

new opportunities for workers and industries with a greater number of higher paying jobs.

Since 1992, the strong U.S. economy has created more than 11 million jobs, of which 1.5 million—or more than 10 percent—have been high-wage export-related jobs.

The significance of PNTR to that overall picture is obvious. According to estimates by Goldman, Sachs, normalizing our trade relations with China and opening China's market through the WTO will result in an increase in our exports of \$13 billion annually; thus China's accession to the WTO will enhance the economic prospects for U.S. export-led industries, and employment opportunities for U.S. workers in higher paying export-related jobs.

Exports, however, are only half of the trade picture and only half of the story of normalizing our trade relations with China. We benefit from imports as well. Being able to trade for goods that we are relatively less efficient in producing means that investments in our own economy are channeled to more productive use. That enhances our ability to maintain higher than expected economic growth.

Imports also enhance the competitiveness of American firms regardless of whether they participate in international markets. The ability to buy at the lowest price and for the highest quality component allows American firms to deliver their goods and services to both U.S. markets and markets overseas at competitive prices.

International trade also has a broader microeconomic benefit of keeping inflation low. International competition yields more efficient producers who are under constant pressure to deliver goods and services at the lowest price possible. The United States benefits from increases in productivity that allow us to make more from less from the competition, and that yields lower prices for goods and services across the board.

To the extent that international competition helps keep inflation in check, it also allows the Fed to keep interest rates low. There is no doubt that keeping interest rates low not only helps consumers when buying a home or a car but deepens the pool of low-cost capital available to American firms to invest in productive enterprises.

Normalizing our trade relations with China is not a panacea, but it will have a positive impact on the economy by reducing the uncertainty and risk that our producers and farmers currently face in gaining accession to the Chinese markets and ensuring continued competition with its benefits for American companies and American consumers.

In other words, a vote in support of PNTR is a vote for a stronger economic future here in the United States.

I ask my distinguished colleague from New York, because I think it is important that the American people basically understand what this legislation does and does not do—I don't think people understand this legislation will not determine whether or not China will become a member of WTO. Isn't that correct?

Mr. MOYNIHAN. Mr. President, if I may, the chairman is absolutely correct. I believe it to be the case. You can't obviously say this with complete confidence, but China will become a member of the WTO with us or without us. They have completed their negotiations with the great majority of the 137 members of the WTO. They will be admitted. However, having been admitted, the privileges of the relationship the WTO establishes includes being subject to the rule of law. Panels say what the trade law means. What have you done? What are the facts? Here is the judgment handed down, which can be appealed. It is a rule of law process. That is only available to countries that have met the WTO standard enunciated in Article 1, which says you must have given unconditional normal trade relations. If you have done that with another country, then you can non-apply the WTO to that country (and not gain any of the benefits the other country's concessions) or that country can take you into court—if you would like to put it that way—and you can answer the decisions and so forth.

This is everything you would hope for in a relationship where, up until now, we have had no recourse to binding dispute settlement. When faced with the unwillingness of the Chinese government from time to time to comply with trade agreements, we could do nothing, excepting to complain to them and say: We very much regret you did that. We don't want you to do it again. Once China joins the WTO and we extend PNTR, we will have a different answer: If you do it again, we will do this instead of saying you have broken a rule, as we judge it, and we will go to court.

Going to court is so much better than going to war or otherwise.

Mr. ROTH. Absolutely. One of the things that bothered me is that the United States, under three Presidents, has negotiated for something like 13 years on this agreement. The fact is, some very major concessions are made that benefit agriculture, that benefit industry, and benefit the workers.

The Senator was saying they are going to become a member of WTO. That means those concessions they made in negotiations with our USTR will become available to the other members of WTO but not ourselves if we don't grant them permanent normal trade relations; isn't that correct?

Mr. MOYNIHAN. The Chairman is absolutely correct.